

Testimony to the
Finance, Revenue and Bonding Committee Public Hearing

[SB 380](#) An Act Concerning a Study of State Tax Policies

[SB 381](#) An Act Concerning a Study of State Revenue Collections

[SB 382](#) An Act Concerning a Connecticut New Market Tax Credit Program

[SB 383](#) An Act Increasing the Applicable Percentage of the Earned Income Tax Credit

[HB 5403](#) An Act Establishing a Child Tax Credit Against the Personal Income Tax

[HB 5406](#) An Act Concerning a Study of State Revenue Policies

[HB 5407](#) An Act Concerning Study of State Fiscal Policies

Good afternoon Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman, and the distinguished members of the Finance, Revenue and Bonding Committee. My name is Lauren Doninger, I live in Hamden. I believe in Recovery For All. To eliminate systemic inequalities and rebuild a better Connecticut, I urge you to pass SB 380, SB 381, SB 382, SB 383, HB 5403, HB 5406, and HB 5407.

The gross inequality of percentage of income paid in taxes cannot and should not continue. In 2014 the DRS tax study revealed that the bottom 50% of earners contributed 23.6% of their income in taxes, but the top 1% contributed only 7.5%. Disgracefully, the follow-up to the DRS analysis shows that since 2014 the disparity has gotten worse. The poorest taxpayers now pay up to 26% of their income in taxes. Middle-income households are also paying more - as much as 15.5%. Yet the ultra-wealthy's effective tax rate has remained flat. How can Connecticut be so regressive? It cannot continue.

The only way to measure the success of a society is by looking at how the least privileged are faring. Connecticut is not faring well when working families can't get ahead. Meanwhile, during the pandemic Connecticut's 13 billionaires seized \$13.7 billion in additional wealth – adding on average \$1 billion each – while hundreds of thousands of working people, especially working people of color, were financially devastated. This is a disgrace. Connecticut is going in the wrong direction, and it is incumbent upon this committee to right the ship. You passed a comprehensive, progressive revenue package in 2021. I'm asking you to do that again to give low- and middle-income earners a fighting chance to thrive. No one should be forced to live in constant survival mode. That should not be who we are. It is not sustainable in the long term.

The ultra-wealth need to contribute their fair share. It is up to you to create a plan for the state to raise progressive revenue. Connecticut will never have economic revitalization if austerity continues to be the approach. I teach at Gateway Community College and just this morning I received an email from a student asking if the honor society could help her. She is the caregiver for her teenage son who has cancer. While he was hospitalized they lost their housing. An aid organization put them up in a motel but at the end of March that will expire. Can you imagine trying to care for your child with cancer and having to worry about homelessness? We must do better.

HB 383 and HB 5403 would begin a Recovery For All by providing immediate and permanent relief to those who need it most. The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are financial lifelines for low-income individuals and families. Their potential impacts are staggering, greatly reducing poverty for working individuals and families and preventing millions of others from being pushed into poverty in the first place. Each is an equitable, long-term solution that also reduces racial disparities, builds financial security, and creates economic opportunities of economic mobility for all. Together, permanently raising the Earned Income Tax Credit (EITC) to 41.5% and pairing it with the CTC, will allow working families to make ends meet, provide for their children and save for a rainy day. These are win-win proposals and I urge members of the Committee to give them your full support.

SB 380, SB 381, HB 5406, and HB 5407 are study bills. The 2022 follow-up to the 2014 DRS tax study provides the information you need to enact transformative change. It's essentially a roadmap for how to enact that change. Studies take time and can delay progress. I encourage the Committee to act quickly to provide relief to those who are hurting. We will all benefit.

SB 382 has the potential to change the face of our struggling communities by stimulating economic development in ways that create good jobs, expand access to healthy foods in food deserts, and by making environmental improvements. This proposal will strategically incentivize the kinds of investments in place that build wealth, reduce income inequality and contribute to economic growth in underserved communities. I encourage the Committee to support this creative approach to build equity.

The scale of Connecticut's inequality and the pandemic's economic devastation demands a bold response—people are suffering, and our state has a responsibility to meet their needs. You have an unprecedented opportunity to stop the hurt so many families are feeling by funding relief measures and essential services, reducing economic and racial inequality, and setting our state on a path to robust economic recovery by restoring fairness to our tax code.

Thank you for the opportunity to testify.

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